

TO: City Council

FROM: Richard Malcolm *RM*

DATE: June 26, 1978

SUBJECT: GENERAL FUND REVENUE IMPACTS OF PROPOSITION 13

-----

As you know, we are continuing to keep abreast of events currently transpiring throughout the State in regards to Proposition 13. One factor that is particularly troublesome according to our latest legal input, is that the City Council's revenue-raising decision making capabilities concerning adoption of new "special taxes" is being extended to include the increasing of existing fees determined to be taxes.

As we indicated at the City Council meeting of June 19, 1978, the delicate revenue matrix we operate under in providing the residents of Simi Valley our full range of police, planning, legal and other services through the General Fund will be affected in the Business License Fee and New Dwelling Construction Fee areas.

Under the provisions of Proposition 13, the City Council cannot increase existing revenue rates after June 30, 1978 without an election resulting in a two-thirds majority in favor of the increase. This appears to severely limit our ability to make these rates reflect the increased inflationary or service expansion needs within our range of Municipal activities as our community grows. Clearly these rates may be very appropriate in 1978 as we serve 74,000 people, however they may not be appropriate in 1990, as we serve 103,000 people. Unless we take action prior to June 30, 1978, for all practical purposes we lose the ability to meet this challenge to our service delivery.

#### Alternatives

1. No change in current fee schedules. This restricts our ability to modify these revenue sources in the face of increased service needs for the community. It exacerbates our reliance upon resources derived from outside agencies, thus increases our dependence upon such agencies.
2. Establish fee schedules that increase by a certain percentage at each given time increment, i.e., 5% every year.
3. Establish fee schedules that increase by a percentage equalling the rise in the September to September L.A.-Long Beach Consumer Price Index. This mitigates the inflationary impacts of the future, but not necessarily service expansion needs.
4. Establish fee schedules that increase by a certain percentage after each population certification is received from the Department of Finance, i.e., 5% after every 2,000 person increase. This mitigates the service expansion needs of the future, but not necessarily inflationary impacts.



Digitized by the Internet Archive  
in 2025 with funding from  
State of California and California State Library

<https://archive.org/details/C123312217>



# CURRENT FEE SCHEDULES

## Business License Fee

GROSS RECEIPTS BRACKETS		
FROM	TO	YOUR TAX IS
\$ 0	\$ 10,000	\$ 10.00
10,001	20,000	20.00
20,001	100,000	37.50
100,001	200,000	75.00
200,001	300,000	112.50
300,001	400,000	150.00
400,001	500,000	187.50
500,001	600,000	225.00
and above		225.00
	Plus	37.50
	Per	\$100,000

### FLAT RATES:

AMUSEMENT ACTIVITIES AND FACILITIES \$100 per day

APARTMENTS, BOARDING HOUSES, MOTELS, AND MOBILE HOME PARKS

Five or less units \$ 25 annually  
Each unit over five \$ 2 annually

AUTOMOBILE SALVAGE, WRECKING, STORAGE AND IMPOUND YARDS \$150 annually

OCCULT SCIENCES	\$50 annually
PAWNBROKER	\$150 annually
PROFESSIONAL PERSON	\$50 annually
SOLICITOR-PRINCIPAL	\$150 annually
SOLICITOR	\$15 annually
MOTOR VEHICLE FOR HIRE, TAXICABS, BUSES AND AMBULANCES	\$25 annually per vehicle
AUTO DEALER - NEW OR USED	\$225 up to \$500,000 gross receipts thereafter .05 per \$1,000
AUCTIONEER	\$10 daily or \$50 annually
CONTRACTORS AND SUBCONTRACTORS	\$50 annually
DELIVERY TRUCKS	\$25 per truck
GARBAGE AND REFUSE COLLECTORS	\$100 annually per truck
HOSPITAL & CONVALESCENT HOME	\$50 annually plus \$2 per bed

### New Dwelling Construction Fees

a) One bedroom dwelling	\$150
b) Each additional bedroom	75
c) Total fee per dwelling, not to exceed	300
d) Mobile Home	100

### Recap of Total Revenues

	FY 1975-76	FY 1976-77	Est. 1977-78
Business License	\$150,496	\$152,398	\$160,000
New Dwelling Construction	115,150	243,350	260,000

78 03848.2

U.C. BERKELEY LIBRARIES



C123312217

INSTITUTE OF GOVERNMENTAL  
STUDIES LIBRARY

OCT 31 2024

UNIVERSITY OF CALIFORNIA